

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 99-449

JULY 8, 1999

CONSUMERS MAINE WATER COMPANY
Application for Approval of
Issues of Securities (§902 & § 1101) (\$824,000)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On June 23, 1999, Consumers Maine Water Company (the Company) filed with the Commission its application for authority to issue its Series J first mortgage bonds in a sum not to exceed \$824,000 through the Maine Municipal Bond Bank under the State Revolving Loan Fund, at an annual rate not to exceed 3.0 percent. The debt will be paid over a term not to exceed 20 years. Due to the fact that these transactions involve the issuance of first mortgage bonds, the Company also requires our approval to mortgage utility property pursuant to M.R.S.A. 35-A §1101. This Order approves the Company's request.

The Company requires these funds to refund its current series I Bonds in order to allow the Company to obtain a lower interest rate on the borrowing and thus generate savings for the Company and its ratepayers. The Company will be required to pass any savings resulting from this transaction on to its customers, as agreed in the stipulation in Docket No. 96-739, Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions.

Pursuant to an Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapters 9 and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for MMBB, RECD, and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the Company, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bonds are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902 (4), the Commission does not imply approval of the Company's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That Consumers Maine Water Company is hereby authorized to issue its bonds in a sum not to exceed \$824,000, to be used solely for the purposes described in this Order at an annual rate not to exceed 3.0 percent through the Maine Municipal Bond Bank, under the State Revolving Loan Fund for a term not to exceed 20 years.
2. That the Company will pass through to its customers any savings realized as a result of this transaction consistent with the provisions of the Stipulation approval in Docket No. 96-739, Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions.
3. That the Company report to the Commission, in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bonds, or by November 1, 1999, whichever may come first.
4. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 8th Day of July 1999.

BY ORDER OF THE
DEPUTY DIRECTOR OF FINANCE

Richard Kania